

John C. Genova
Meridian Aggregates Company
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My name is John Genova, Vice President of Sales and Marketing for Meridian Aggregates Company. Meridian produces 25 million tons of aggregate annually, 6 million tons of which are sold as railroad ballast to the Burlington Northern Santa Fe, Union Pacific and Kansas City Southern Railways. Another 6 million tons are transported by rail throughout the western half of America for use in the production of ready-mixed concrete, hot mixed asphalt, and other construction applications.

The construction materials industry, like many other industries, is experiencing a flurry of merger, acquisition, and consolidation activity. Today's economy, with its emphasis upon fervent competition and aggressive growth, fosters a kind of natural selection process among companies leading to industrial survival of the fittest. The North American rail industry is embroiled in this process.

I'm here today, on behalf of Meridian, to speak in favor of financially responsible, economically prudent, and morally legitimate rail mergers, particularly those which result in safe operation, service efficiencies and improved industry consumer prices. We believe that the proposed Burlington Northern Santa Fe/Canadian National Railways combination will prove to be such a merger. Provided this proposal is judged upon its own merits, in accordance with the established parameters for judging similar rail transactions, we think this proposed combination will be approved.

Both the Burlington Northern Santa Fe and Canadian National Railways have exhibited a degree of professionalism and expertise in successfully managing other rail combinations to which they were parties to warrant the opportunity to once again demonstrate that they can deliver the quality of performance they are promising as a merged entity.

The Board should not be unduly influenced by fears proffered by other rail franchises which contend that approval of the BNSF/CN merger will trigger a premature round of additional rail consolidation. The implication of this pronouncement is that if the BNSF/CN merger is approved, these other railroads will begin implementing growth plans, regardless of whether or not they are prepared to do so. We question the responsibility of this strategy and implore the Surface Transportation Board to scrutinize carefully any combination proposals emanating from such a defensive posture.

Those lawmakers contemplating the future scope and direction of railroading must not be coerced by various partisan factions into hastily seeking emendatory legislation for an industry which neither requires it nor could adapt to it successfully. The level of regulatory intervention with which the rail industry currently is imbued is sufficient to guard against serious operational failures, price exploitation, safety infractions, and competitive imbalance. Additional reform legislation might well prove to be the cure that kills the patient.